

WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON
EXECUTIVE DIRECTOR
GENERAL COUNSEL

March 6, 2014

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

In Opposition to:

S.B. No. 297 (RAISED) AN ACT ESTABLISHING AN OFF-SITE FARM WINERY SALES AND TASTING PERMIT.

The members of the WSWC oppose the creation of an additional license which will place their suppliers into direct competition with them. While ostensibly Bill 297 seeks to confer yet another benefit upon "farm wineries", the State, under the US Supreme Court's decision in Granholm cannot discriminate in providing a benefit to in-state manufacturers and not the same benefit to out-of-state manufacturers.

Under this bill, Connecticut wholesalers, like the members of the WSWC, and the package stores who are their customers could be faced with having to compete for sales with their current suppliers, many of whom meet the definition of "farm winery." This further deterioration of the three tier system, at the expense and detriment of existing businesses is not warranted.

Over the past several years the "farm winery" permit has morphed from a "Connecticut farm" produced product to a product which is just like any other "manufactured" wine. By way of example of these changes include:

- A reduction from 50% to 25% of "estate" grown fruit.
- The inclusion of land wherever located within the state towards the "estate" fruit requirement.
- The ability to sell other manufacturer's wines.
- The ability to sell their products off site and at festivals.

Who are the WSWC Members? The Connecticut's alcohol beverage wholesalers, such as the members of the Wine and Spirits Wholesalers of Connecticut, are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. Connecticut Wholesalers:

- are licensed and regulated by the state of Connecticut and the federal government;

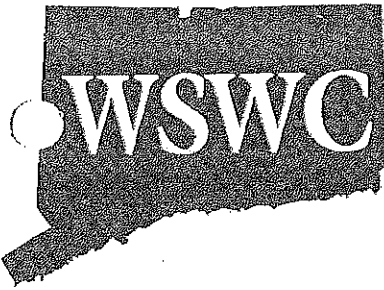
over

132 TEMPLE STREET • NEW HAVEN, CT 06510

Telephone (203) 624-9900 Fax (203) 624-9870 www.wswc.org www.talktomenow.org

- are responsible to insure that the wines, beers and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurants);
- pay to the state in excess of \$60 M in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$150M annually;
- provide in excess of 2,400 direct jobs to Connecticut residents; and
- contribute in excess of \$275 M in direct and in direct benefits to the state's economy.

The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.



WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON
EXECUTIVE DIRECTOR
GENERAL COUNSEL

March 6, 2014

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

In Opposition to:

S.B. No. 298 (RAISED) AN ACT CONCERNING THE EXTENSION OF CREDIT TO ALCOHOLIC LIQUOR RETAILERS FROM MANUFACTURERS AND WHOLESALERS.

Summary

Credit laws limit the terms of credit that wholesalers can offer to retailers. State credit laws vary from prohibitions on credit (Cash on Delivery or COD requirements) to 30-day credit periods. These state laws implement the federal law which deems the extension of credit beyond thirty days to be a prohibited inducement. 27 CFR § 6.65. These limits allow states to level the playing field amongst retailers and between the tiers.

Without these restrictions the largest retailers would be able to demand more favorable credit terms from wholesalers by threatening to stock competitor's products. These terms would provide large retailers with an advantage over their competitors. Credit laws also limit the ability of unscrupulous retailers to obtain product while delinquent on their bills.

Benefits of Credit Laws

Credit laws recognize that the state has a significant financial interest in the credit worthiness and financial viability of those who sell and distribute beverage alcohol. Laws, such as CGS 30-48, protect the State's interests in the collection of more than \$60M in excise taxes and more than \$150M in sales taxes.

Credit laws prevent a business in either the wholesale or retail tier from requiring another tier to comply with unfavorable credit terms. This is particularly important in relationships between a large member of one tier and a small member of the other. Credit laws provide consistent requirements for *all* members of the wholesale and retail tier.

Connecticut's credit law keeps the marketplace transparent. It requires that wholesalers initially notify the retail of its delinquency. The retailer has the opportunity to contest the notice of delinquency and request a hearing before the DCP to determine the validity of the debt. Only if the retailer fails to respond to that notice is the wholesaler then required to notify all other wholesalers of the non-payment, at which time no wholesaler

over

132 TEMPLE STREET • NEW HAVEN, CT 06510

Telephone (203) 624-9900 Fax (203) 624-9870 www.wswc.org www.talktomenow.org

can extend additional credit. The retailer is, however, able to purchase products on a COD basis. This prevents unscrupulous retailers from abusing terms across multiple wholesalers.

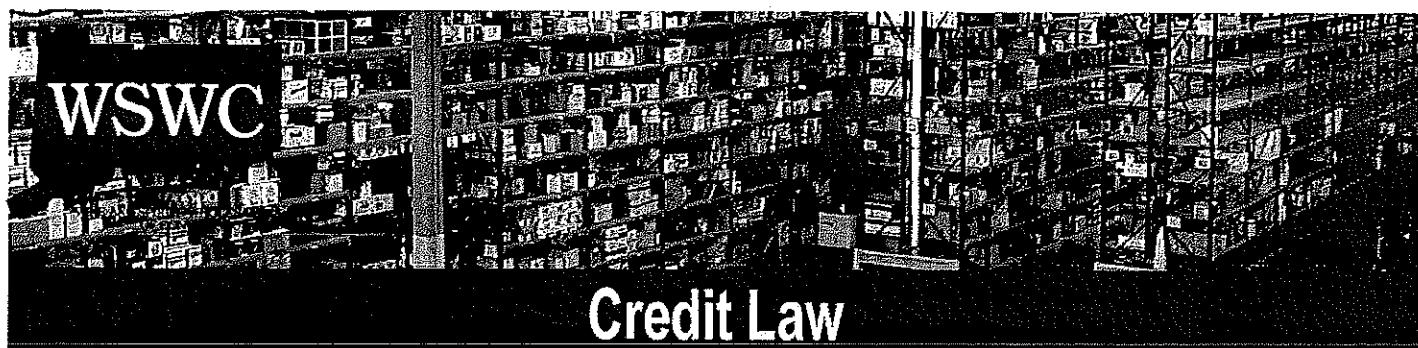
Credit laws prevent wholesalers from playing favorites. By regulating the amount of credit a wholesaler can offer to a retailer the state ensures that all retailers will be treated fairly.

Credit laws also prevent retailers who are financial irresponsible to remain in business. That type of irresponsibility can foster sales to minors or those who are intoxicated.

Who are the WSWC Members? The Connecticut's alcohol beverage wholesalers, such as the members of the Wine and Spirits Wholesalers of Connecticut, are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. Connecticut Wholesalers:

- are licensed and regulated by the state of Connecticut and the federal government;
- are responsible to insure that the wines, beers and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurants);
- pay to the state in excess of \$60 M in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$150M annually;
- provide in excess of 2,400 direct jobs to Connecticut residents; and
- contribute in excess of \$275 M in direct and in direct benefits to the state's economy.

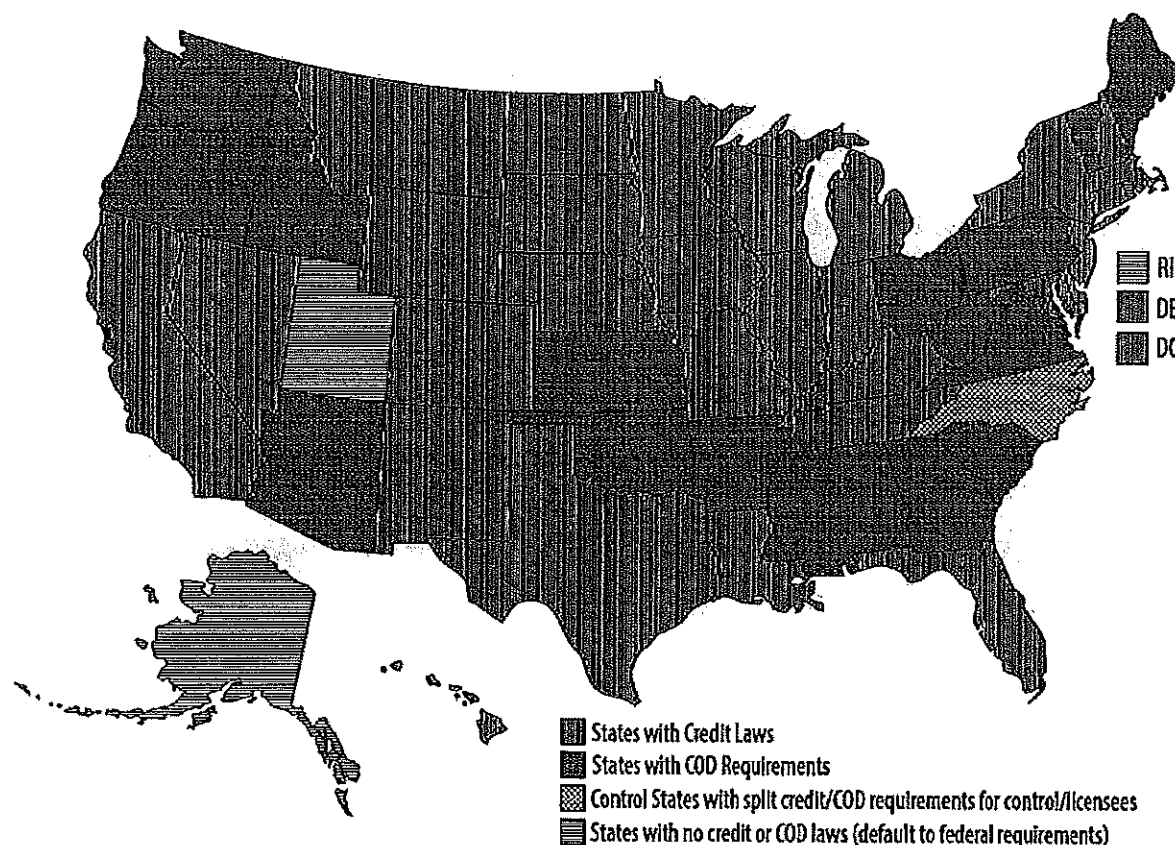
The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.



Summary

Credit laws limit the terms of credit that wholesalers can offer to retailers. State credit laws vary from prohibitions on credit (Cash on Delivery or COD requirements) to 30-day credit periods. These limits allow states to level the playing field among retailers and between the tiers.

Without these restrictions the largest retailers would be able to demand more favorable credit terms from wholesalers by threatening to stock competitor's products. These terms would provide large retailers with an advantage over their competitors. Credit laws also limit the ability of unscrupulous retailers to obtain product while delinquent on their bills.



WINE & SPIRITS WHOLESALERS OF CONNECTICUT, INC.

132 Temple St. | New Haven, CT 06510 | Tel: 203-624-9900 | Fax: 203-624-9870

Benefits of Credit Laws:

Credit Laws recognize that the state has a significant financial interest in excess of 48 million dollars in excise taxes from retailers in the state. Credit laws prevent a business in either the wholesale or retail tier from requiring another tier to comply with unfavorable credit terms. This is particularly important in relationships between a large member of one tier and a small member of the other. Credit laws provide consistent requirements for all members of the wholesale and retail tier.

Credit laws keep the marketplace transparent by requiring wholesalers to notify the state of non-payment by a retailer. This allows the state to notify other wholesalers of this delinquency and can prevent other wholesalers from unknowingly extending credit to a delinquent retailer. It also prevents unscrupulous retailers from abusing terms across multiple wholesalers. Under Connecticut's Law a delinquent retailer is placed on a cash sale only restriction until its bills have been paid. Additionally, a retailer who disputes the validity of an invoice can still receive goods on a credit basis.

Credit laws prevent wholesalers from playing favorites. By regulating the amount of credit a wholesaler can offer to a retailer the state ensures that all retailers will be treated fairly. Credit laws also prevent retailers who are financially irresponsible to remain in business. That type of irresponsibility can foster sales to minors or those who are intoxicated.

States with Credit Laws (31)

California, Colorado, Connecticut, Delaware, Delaware, District of Columbia, Florida, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, South Dakota, Tennessee, Texas, Wisconsin, Wyoming

States with COD Requirements (17)

Alabama, Arizona, Arkansas, Georgia, Idaho, Kansas, Maine, Mississippi, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Vermont, Virginia, Washington, West Virginia

Control States with split credit/COD requirements for control/licensees:

North Carolina

States with no credit or COD laws (default to federal requirements):

Alaska, Rhode Island, Utah

Model COD Legislation

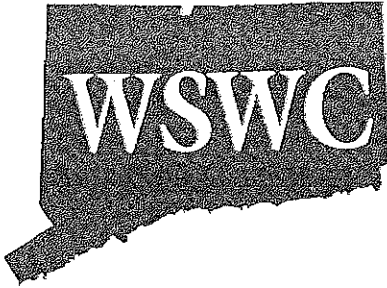
A wholesaler or agent or employee thereof shall sell or deliver, and a retailer shall purchase or receive, any beverage alcohol for currency on delivery, or prior to delivery thereof, by electronic fund transfer initiated on or before the date of delivery, or by valid check, order, negotiable instrument or voucher payable on the date of delivery. A wholesaler may accept cash at the time of delivery if such acceptance does not create or increase the licensee's, or the agents' or employees' of the licensee, exposure to or risk of being victimized by criminal activity. No wholesaler shall, directly or indirectly, sell on credit any beverage alcohol to a retailer.

Sales of beverage alcohol by a wholesaler to a retailer governed by this act shall be final except that a wholesaler may:

- Buy back any item of beverage alcohol which a retailer has obtained the approval of the DCP to close out;
- Buy back any item of beverage alcohol when required by the supplier; and
- Buy back or exchange, within 24 hours after delivery, any item of beverage alcohol which is damaged or deteriorated in quality

WINE & SPIRITS WHOLESALERS OF CONNECTICUT, INC.

132 Temple St. | New Haven, CT 06510 | Tel: 203-624-9900 | Fax: 203-624-9870



WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON
EXECUTIVE DIRECTOR
GENERAL COUNSEL

March 6, 2014

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

In Opposition to:

S.B. No. 301 (RAISED) AN ACT CONCERNING SUSPENSION OF ALCOHOLIC LIQUOR PERMITS BY MUNICIPAL LAW ENFORCEMENT OFFICIALS.

The WSWC opposes the changes proposed by Bill 301 as they are unnecessary, will lead to varying standards across the state, imposes liability on business owners for acts that occur entirely out of their control and are likely unconstitutionally vague as drafted.

The bill proposes to vest chiefs of police with the power and authority to close businesses which they deem to be "disorderly" based upon three "incidents" at or adjacent to the premises.

Specifically, under current law the Department of Consumer Protection has board discretion to suspend or revoke a liquor permit as provide for under 30-46. Additionally, the State's Attorney's office has the ability to bring an action, obtain an ex parte order and close a business which is a public nuisance under CGS 19-343. Both of these laws give broad, but clear authority, to the government to control "problem establishments."

Secondly, the bill grants the chief of police the discretion to hold against a business owner acts and events beyond his control. By allowing the chief to consider an event "adjacent" to the premises, the owner of a business can be held responsible for events that occur outside of his business. How is that fair?

As drafted, the statute fails to define "incident", any period of time over which they must occur, "or what is meant by adjacent". The WSWC submits that these failings make the bill unconstitutionally vague and unenforceable. And if not unconstitutional, the lack of definitions will lead undoubtedly to wide and varying standards across the state, subjecting business owners to the vagaries cause by a multitude of interpretations and applications.

Who are the WSWC Members? The Connecticut's alcohol beverage wholesalers, such as the members of the Wine and Spirits Wholesalers of Connecticut, are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. Connecticut Wholesalers:

over

132 TEMPLE STREET • NEW HAVEN, CT 06510

Telephone (203) 624-9900 Fax (203) 624-9870 · www.wswc.org www.talktomenow.org

- are licensed and regulated by the state of Connecticut and the federal government;
- are responsible to insure that the wines, beers and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurants);
- pay to the state in excess of \$60 M in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$150M annually;
- provide in excess of 2,400 direct jobs to Connecticut residents; and
- contribute in excess of \$275 M in direct and in direct benefits to the state's economy.

The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.



WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON
EXECUTIVE DIRECTOR
GENERAL COUNSEL

March 6, 2014

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

Relative to:

H.B. No. 5430 (RAISED) AN ACT PERMITTING RESTAURANT AND CAFE PERMIT HOLDERS TO SELL GROWLERS OF BEER AT RETAIL.

The members of the WSWC are committed to the safe and responsible sale and distribution of beverage alcohol. Towards that end its members salesmen have been TIPS® trained (a server training course in the responsible retail sale of alcohol) to better assist their salesmen in educating retailer in the responsible sale of alcohol.

The members of the WSWC respect and support the respective businesses of their customer base, both restaurants and package stores and the investments the owners of each have made in their businesses. The WSWC neither supports or opposes the bill in its current form. However, should the bill be modified in any the WSWC reserves it right to comment at that time.

Who are the WSWC Members? The Connecticut's alcohol beverage wholesalers, such as the members of the Wine and Spirits Wholesalers of Connecticut, are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. Connecticut Wholesalers:

- are licensed and regulated by the state of Connecticut and the federal government;
- are responsible to insure that the wines, beers and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurants);
- pay to the state in excess of \$60 M in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$150M annually;
- provide in excess of 2,400 direct jobs to Connecticut residents; and
- contribute in excess of \$275 M in direct and in direct benefits to the state's economy.

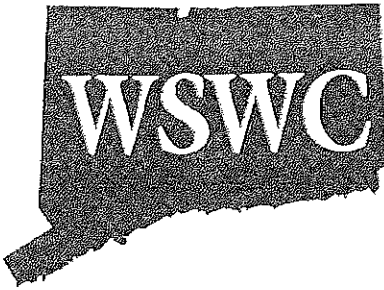
The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of

over

132 TEMPLE STREET • NEW HAVEN, CT 06510

Telephone (203) 624-9900 Fax (203) 624-9870 www.wswc.org www.talktomenow.org

legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.



WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON
EXECUTIVE DIRECTOR
GENERAL COUNSEL

March 6, 2014

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

In support of:

H.B. No. 5429 (RAISED) AN ACT ESTABLISHING A CRAFT DISTILLER PERMIT.

The members of the WSWC support the fostering of local, family owned business like their own. They view the proposed craft distillery license as advancing that value.

The craft distillery license as draft ensures through its minimum production requirement, (1000 gallons or the equivalent of 435 cases) the business is a legitimate distillery. Many "craft" distillers simply purchase widely available spirits produced by large manufacturers and rebottle that product under their own name. The WSWC does not believe that the rebottling of mass produced spirits capture the essence of the craft movement that this bill seeks to promote. Further, the cap on total production (10,000 gallons or the equivalent of 4,350 cases), a limit also adopted by Ohio, ensures that large manufactures do not exploit this craft license to the detriment of existing wholesalers and package stores. It would be unfair to the owners of these businesses, who purchased their business and made significant invests and reinvestment in them based upon current, to put them in to direct competition with large manufacturers who are their current suppliers. The gallonage cap advances that objective.

The ability of the craft distiller to provide tastings commensurate with that of package store will allow them to expose consumers to their products. The proposed ability of permit on premise retail sales will allow those same consumers to leave the premises with a tangible memento of their visit.

However, the WSWC also recognizes that proposed Bill 5429 may well require some further modification to clarify the craft distiller must otherwise comply with all other laws applicable to wholesalers and retailers, such as laws relating to price posting and extension of credit. The WSWC would support such clarifications and is willing to work with all stakeholders to ensure that appropriate language is added to provide for such clarifications.

Who are the WSWC Members? The Connecticut's alcohol beverage wholesalers, such as the members of the Wine and Spirits Wholesalers of Connecticut, are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. Connecticut Wholesalers:

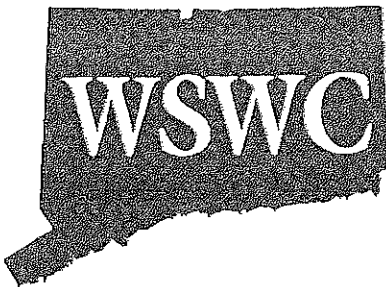
over

132 TEMPLE STREET • NEW HAVEN, CT 06510

Telephone (203) 624-9900 Fax (203) 624-9870 www.wswc.org www.talktomenow.org

- are licensed and regulated by the state of Connecticut and the federal government;
- are responsible to insure that the wines, beers and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurants);
- pay to the state in excess of \$60 M in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$150M annually;
- provide in excess of 2,400 direct jobs to Connecticut residents; and
- contributes in excess of \$275 M in direct and in direct benefits to the state's economy.

The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.



WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON
EXECUTIVE DIRECTOR
GENERAL COUNSEL

March 6, 2014

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

In support of:

H.B. No. 5336 (RAISED) AN ACT CONCERNING THE POSSESSION OF ALCOHOLIC LIQUOR BY MINORS.

The WSWC supports the clarification provided 5336 of "Connecticut's House Party Law", CGS 30-89a. In 2012, when the house party bill was enacted and criminalized the hosting of house parties (drinking by minors in the home without the parents' permission), there was an apparent error in drafting. Prior the enactment of that legislation a person could violate the law by either knowingly permitting minor to drink in their home or failing to halt the consumption once discovered. In 2012, the element of knowledge was removed from the second mode of implication. This bill correctly seeks to restore the knowledge element. This only makes sense as how could one halt drink that one does not know of. The WSWC strongly encourages the adoption of this reform so that it is crystal clear that adults who know of drinking in their home by minor must action to stop that drinking.

Who are the WSWC Members? The Connecticut's alcohol beverage wholesalers, such as the members of the Wine and Spirits Wholesalers of Connecticut, are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. Connecticut Wholesalers:

- are licensed and regulated by the state of Connecticut and the federal government;
- are responsible to insure that the wines, beers and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurants);
- pay to the state in excess of \$60 M in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$150M annually;
- provide in excess of 2,400 direct jobs to Connecticut residents; and

over

132 TEMPLE STREET • NEW HAVEN, CT 06510

Telephone (203) 624-9900 Fax (203) 624-9870 www.wswc.org www.talktomenow.org

- contribute in excess of \$275 M in direct and in direct benefits to the state's economy.

The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.

2012 Conn. Legis. Serv. P.A. 12-199 (H.B. 5360) (WEST)

CONNECTICUT 2012 LEGISLATIVE SERVICE

2012 February Regular Session of the General Assembly

Additions are indicated by Text; deletions by
Text .

Vetoes are indicated by Text ;
stricken material by Text .

P.A. No. 12-199

H.B. No. 5360

CHILDREN AND MINORS—ALCOHOLIC BEVERAGES—HOUSING

AN ACT PROHIBITING CERTAIN PERSONS FROM ALLOWING MINORS TO POSSESS
ALCOHOLIC LIQUOR IN DWELLING UNITS AND ON PRIVATE PROPERTY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 30-89a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2012):

<< CT ST § 30-89a >>

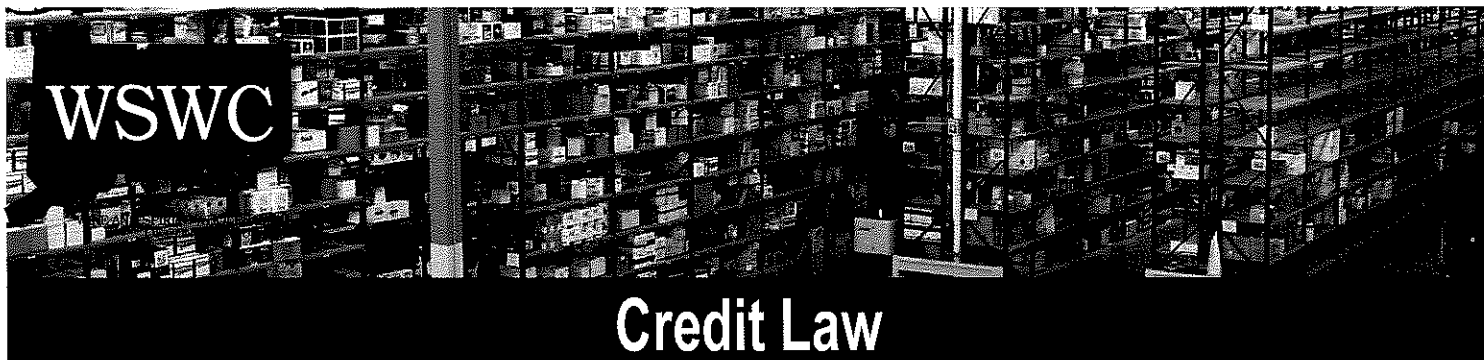
(a) No person having possession of, or exercising dominion and control over, any dwelling unit or private property shall (1) knowingly, recklessly, or with criminal negligence, permit any minor to possess alcoholic liquor in violation of subsection (b) of section 30-89 in such dwelling unit or on such private property, or (2) knowing that any minor possesses alcoholic liquor in violation of subsection (b) of section 30-89 in such dwelling unit or on such private property, fail to make reasonable efforts to halt such possession. For the purposes of this subsection, "minor" means a person under twenty-one years of age.

(b) Any person who violates the provisions of subsection (a) of this section shall, for a first offense, have committed an infraction and, for any subsequent offense, be fined not more than five hundred dollars or imprisoned not more than one year, or both be guilty of a class A misdemeanor.

Approved June 15, 2012.

End of Document

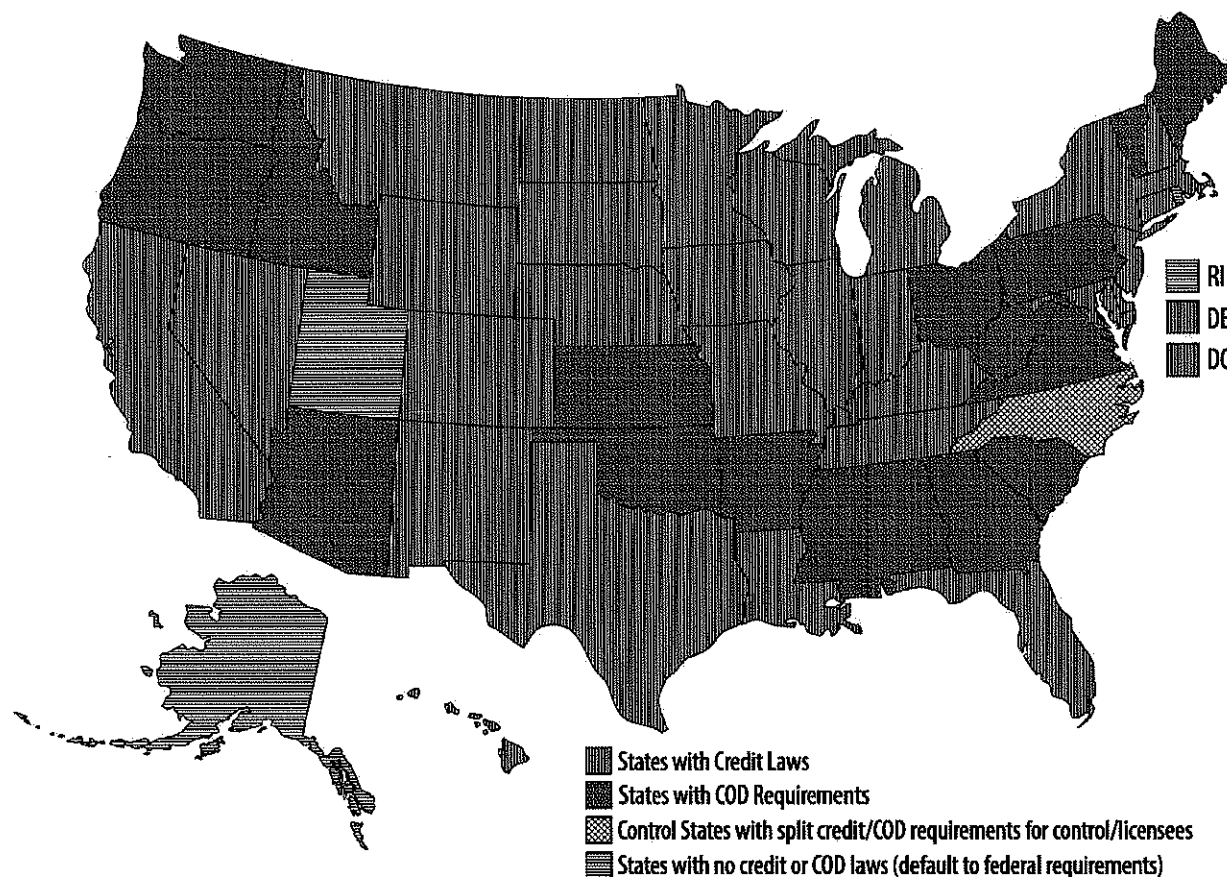
© 2014 Thomson Reuters. No claim to original U.S. Government Works.



Summary

Credit laws limit the terms of credit that wholesalers can offer to retailers. State credit laws vary from prohibitions on credit (Cash on Delivery or COD requirements) to 30-day credit periods. These limits allow states to level the playing field amongst retailers and between the tiers.

Without these restrictions the largest retailers would be able to demand more favorable credit terms from wholesalers by threatening to stock competitor's products. These terms would provide large retailers with an advantage over their competitors. Credit laws also limit the ability of unscrupulous retailers to obtain product while delinquent on their bills.



WINE & SPIRITS WHOLESALERS OF CONNECTICUT, INC.

132 Temple St. | New Haven, CT 06510 | Tel: 203-624-9900 | Fax: 203-624-9870

Benefits of Credit Laws:

Credit Laws recognize that the state has a significant financial interest in excess of 48 million dollars in excise taxes from retailers in the state. Credit laws prevent a business in either the wholesale or retail tier from requiring another tier to comply with unfavorable credit terms. This is particularly important in relationships between a large member of one tier and a small member of the other. Credit laws provide consistent requirements for all members of the wholesale and retail tier.

Credit laws keep the marketplace transparent by requiring wholesalers to notify the state of non-payment by a retailer. This allows the state to notify other wholesalers of this delinquency and can prevent other wholesalers from unknowingly extending credit to a delinquent retailer. It also prevents unscrupulous retailers from abusing terms across multiple wholesalers. Under Connecticut's Law a delinquent retailer is placed on a cash sale only restriction until its bills have been paid. Additionally, a retailer who disputes the validity of an invoice can still receive goods on a credit basis.

Credit laws prevent wholesalers from playing favorites. By regulating the amount of credit a wholesaler can offer to a retailer the state ensures that all retailers will be treated fairly. Credit laws also prevent retailers who are financially irresponsible to remain in business. That type of irresponsibility can foster sales to minors or those who are intoxicated.

States with Credit Laws (31)

California, Colorado, Connecticut, Delaware, Delaware, District of Columbia, Florida, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, South Dakota, Tennessee, Texas, Wisconsin, Wyoming

States with COD Requirements (17)

Alabama, Arizona, Arkansas, Georgia, Idaho, Kansas, Maine, Mississippi, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Vermont, Virginia, Washington, West Virginia

Control States with split credit/COD requirements for control/licensees:

North Carolina

States with no credit or COD laws (default to federal requirements):

Alaska, Rhode Island, Utah

Model COD Legislation

A wholesaler or agent or employee thereof shall sell or deliver, and a retailer shall purchase or receive, any beverage alcohol for currency on delivery, or prior to delivery thereof, by electronic fund transfer initiated on or before the date of delivery, or by valid check, order, negotiable instrument or voucher payable on the date of delivery. A wholesaler may accept cash at the time of delivery if such acceptance does not create or increase the licensee's, or the agents' or employees' of the licensee, exposure to or risk of being victimized by criminal activity. No wholesaler shall, directly or indirectly, sell on credit any beverage alcohol to a retailer.

Sales of beverage alcohol by a wholesaler to a retailer governed by this act shall be final except that a wholesaler may:

- Buy back any item of beverage alcohol which a retailer has obtained the approval of the DCP to close out;
- Buy back any item of beverage alcohol when required by the supplier; and
- Buy back or exchange, within 24 hours after delivery, any item of beverage alcohol which is damaged or deteriorated in quality

WINE & SPIRITS WHOLESALERS OF CONNECTICUT, INC.

132 Temple St. | New Haven, CT 06510 | Tel: 203-624-9900 | Fax: 203-624-9870